

FISCAL NOTE

HB 3109 - SB 3356

February 27, 2008

SUMMARY OF BILL: Creates a new Class E felony offense for a person who receives money for the purpose of obtaining or paying for services, labor, materials or equipment and knowingly diverts the funds to a use other than that for which the funds were received.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$192,600/Incarceration*

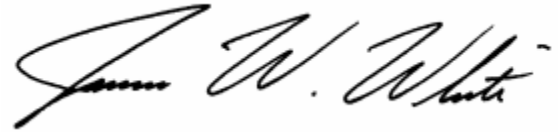
Assumptions:

- Twenty-five persons statewide will be convicted of this Class E felony and will serve 0.3 years (109.58 days) in the first year.
- According to the U.S. Census Bureau, population growth in Tennessee has been 1.09 percent per year for the past 10 years, yielding a projected compound population growth of 13.6 percent over the next 10 years. Population growth will result in three additional offenders in the tenth year. The maximum cost in the tenth year, as required by Tenn. Code Ann. § 9-4-210, is based on 28 offenders.
- According to the DOC, the average operating cost per inmate per day for calendar year 2008 is \$62.78. The cost per inmate at 0.3 years is \$6,879.43 (\$62.78 x 109.58 days). The total additional operating cost for 28 offenders is \$192,624.04 (\$6,879.43 x 28).
- The Department of Commerce and Insurance may receive an increase in the number of complaints they receive as a result of this bill. Any additional cost incurred can be accommodated within existing resources without an increased appropriation or reduced reversion.

**Tennessee Code Annotated, Section 9-4-210, requires that: For any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state facilities, there shall be appropriated from recurring revenues the estimated operating cost of such law. The amount appropriated from recurring revenues shall be based upon the highest cost of the next 10 years.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/lsc